

ENVIRONMENT SCRUTINY AND PERFORMANCE PANEL

Agenda Item
No. 7

DATE: 28 JULY 2009

2008/09 FINAL BUDGETARY POSITION PRIOR TO EXTERNAL AUDIT

Ward(s) All

Portfolio:

Councillor Flower – Environment
Councillor Ansell – Transport

Summary of report

This report summarises the outturn position for the year ended 2008/09, subject to external audit, for services within the remit of the Environment Scrutiny and Performance Panel.

Recommendation

To note that the 2008/09 year end financial position for services under the remit of the Environment Scrutiny and Performance Panel, is a revenue variance (underspend) against budget of **-£0.97m** (net of use of earmarked reserves), and a capital underspend of **£27k** (net of approved slippage into 2009/10).

Background papers

Various financial working papers.
Quarterly reporting to Scrutiny Panels throughout year
2008/09 Budget Books on Council's Internet and Intranet

Reason for scrutiny

To inform the panel of the position for 2008/09.

Signed:



Chief Finance Officer: James T Walsh

Date: 10 July 2009

Resource and legal considerations

The accounts were monitored and reported on as part of the budget guidelines and all entries into the final accounts have been undertaken in line with the required accounting guidance and standards.

Citizen impact

The budget is aligned with service activity within service plans within the directorate. Investment has been targeted at service improvement, stability and user demand.

Environmental impact

Services within the remit of this panel have a direct influence and impact on the environment.

Performance management

Financial performance is considered alongside service targets. Managers are required to deliver their service targets within budget, wherever possible. Corrective action plans were put in place to mitigate overspends. Variances against budget are identified in the report.



Equality Implications

Services consider equality issues in setting budgets and delivering services. Irrespective of budgetary pressures the council must fulfil equal opportunities obligations.

Consultation

Consultation was undertaken as part of the budget setting process and throughout the financial year on the financial position and reporting thereof.

Contact Officer:

Stuart Wootton, Service Finance Manager,
 01922 653554,  woottons@walsall.gov.uk

1 Revenue Outturn 2008/09 – Environment

- 1.1 The revenue outturn for 2008/09 for the services under the remit of the Environment Scrutiny and Performance Panel is an underspend against budget of **-£0.97m** (net of the use of earmarked reserves). This position is subject to external audit which will take place during July. Table 1 provides a summary by service, and a full analysis of the material variances is shown in **Appendix 1**.

Table 1 - Final Revenue Outturn 2008/09					
Service Area	Annual Budget £	Year End Outturn £	Year End Variance £	Use of Reserves £	Variance Net of Reserves (Under) / Over spend £
<u>BUILT ENVIRONMENT</u>					
Street Pride	20,377,452	20,097,146	(280,306)	(631,050)	(911,356)
Engineering & Transportation	19,641,460	18,946,896	(694,564)	630,144	(64,420)
Public Protection	4,888,578	4,903,551	14,973	(8,598)	6,375
Built Environment Management	(680)	(653)	27	0	27
TOTAL BUILT ENVIRONMENT	44,906,810	43,946,941	(959,869)	(9,504)	(969,373)
Carry Forwards - see 1.3 below					74,302
					(895,071)

- 1.2 The outturn includes net use of and transfers to reserves of £9.5k where approval was given in year by cabinet for additional funds for specific services and include approved carry forwards from 2007/08. **Table 2** provides a summary of these.

Table 2 - Analysis of 2008/09 Use of Earmarked Reserves		
Service Area	Amount £	Explanation
Carry Forwards from 07/08		
Street Pride	185,979	Fryers Road Floor Pad
Public Protection	2,772	Hire of Air Conditioners for Challenge Building
	5,826	Coroner – relocation costs
Other Specific Reserves		
Street Pride	85,796	New Waste Collection Service
	71,320	LABGI – waste projects
	287,955	LATS – write down of allowances
Transfer to Earmarked Reserves		
Engineering & Transportation	(630,144)	Street Lighting underspend
Total Use of Reserves	9,504	

- 1.3 **Table 3** summarises the carry forward of underspends from 2008/09 to 2009/10 approved by cabinet on 24 June 2009.

Table 3 – Carry Forwards from 2008/09 to 2009/10	
Underspends	
Street Pride – Waste W2R project – legal costs of incineration facility	36,000
Engineering & Transportation – Highways Maintenance contract – costs falling into 2009/10 due to delay in start date	38,302
Total	74,302

- 1.4 The main reasons for the underspend position for services within the remit of the Panel are as follows:

- Street Pride – Waste – underspend of £284k on employee costs, and £758k on landfill payments – lower than estimated tonnage.
- Street Pride – Highways – overspends of £96k on equipment and £24k Winter Maintenance, offset by underspends of £89k on employee costs and a £46k depot rebate.
- Street Pride – Fleet – overspends of £211k for fuel and £219k for Fleet operational costs, partly offset by additional income of £77k from Social Care and £68k from WHG.
- Engineering & Transportation – Traffic & Transportation – overspend of £319k mainly relates to the under-recovery of car parking income, partly offset by general reductions in staffing, general running costs, and contractor payments.
- Engineering & Transportation – Other Services – net underspend of £383k which offsets the shortfall on Transportation – mainly through general underspends on salaries and general running expenses.
- Full analysis of the variances is shown in **Appendix 1**.

2 Capital Outturn 2008/09 – Environment

- 2.1 The capital outturn for 2008/09 for the schemes under the remit of this panel is an underspend against budget of **£0.76m**, of which £0.73m has been approved to be slipped into 2009/10, resulting in a net underspend of **£27k**. **Table 4** provides a summary by service, and a detailed financial analysis by scheme is shown in **Appendix 2**.

Table 4 - Final Capital Outturn 2008-09

Service Area	Annual Budget £	Final Outturn £	Year End Variance £	Slippage to 2009/10 £	Variance Net of Slippage £
<u>Mainstream Resources</u>					
Engineering & Transportation	5,439,084	4,995,299	(443,785)	459,947	16,162
Public Protection	291,094	139,488	(151,606)	146,136	(5,470)
Total Mainstream	5,730,178	5,134,787	(595,391)	606,083	10,692
<u>Unsupported Borrowing</u>					
Street Pride	1,300,000	1,300,000	0	0	0
Total Unsupported Borrowing	1,300,000	1,300,000	0	0	0
<u>Non Mainstream Resources</u>					
Street Pride	445,766	322,095	(123,670)	123,670	0
Engineering & Transportation	5,615,826	5,577,758	(38,068)	162	(37,906)
Total Non Mainstream	6,061,592	5,899,853	(161,738)	123,832	(37,906)
TOTAL ENVIRONMENT	13,091,770	12,334,640	(757,129)	729,916	(27,214)

APPENDIX 1 - REASONS FOR VARIATIONS - ENVIRONMENT

SERVICE	REASON / EXPLANATION FOR VARIANCE	VARIANCE £
Built Environment		
Street Pride		
Waste Management	Underspend on employee costs from increased vacancies	-284,979
	Lower than estimated tonnage of waste to landfill	-758,315
Policy Team	Underspend on salaries, supplies & services	-63,466
Highways	Overspend on hire of equipment and additional overtime	96,540
	Underspend on employee costs from increased vacancies	-89,360
Depot	Underspend on employee costs and rate rebate	-46,523
Winter Maintenance	Additional need for salt and increased employee costs due to winter call-outs	23,863
Fleet Services	Additional income from Social Care	-76,747
	Overspend on fuel due to increase in fuel prices	210,986
	Increase in Fleet Operational costs - contract fees, materials etc	218,844
	Additional income from WHG - extension of contract	-68,254
Grounds Maintenance	Employee savings through vacant posts (partly covered by agency staff)	-32,516
Street Cleansing	Employee savings through vacant posts (partly covered by agency staff)	-31,351
Public Conveniences	Underspend on salaries, supplies & services	-10,078
		-911,356
Engineering & Transportation		
Pollution Control	Underspend on supplies & services	-3,669
Roadworks Management	Under-recovery of fees of £125k offset by underspends on salaries costs	9,438
Highways Maintenance	Overspend on contractor fees	61,586
Transportation & Forward Planning	Underspend on salaries and additional income from recharges	-257,375
Engineering Design & Construction	Underspend on consultants and contractor fees	-71,862
Traffic & Transportation	Mainly relates to the under-recovery of car parks income, partly offset by underspends on salaries and contractor fees	319,123
Engineering Management	Underspend on supplies & services	-39,671
Structures & Geotechnics	Underspend on staff vacancies, contractor fees, supplies & services	-62,958
Major Projects & Minor Improvements	Income from additional fees	-19,032
		-64,420
Public Protection		
Registrars	Underspend on premises & over-recovery of income	-36,449
Coroner Service	Refund for use of mortuary	-30,906
Consumer Services	Underspend on salaries, supplies & services	-17,779
Emergency Planning	Underspend on salaries, supplies & services	-17,494
Health Initiatives / Enforcement	Underspend on salaries, supplies & services	-28,525
Licensing	Underspend mainly on salaries	-66,057
Environmental Health	Underspend mainly on salaries and general running expenses	-53,089
Residential Services	Overspend on salaries, supplies & services	22,355
Cemeteries	Under-recovery of income and overspend on premises costs, partly offset by underspends on salaries	162,354
Crematoria	Under-recovery of income and overspends on salaries and premises costs	71,965
		6,375
Built Environment Management	Minor under-recovery from Built Environment services above	27
TOTAL VARIANCE		-969,374

Environment Capital Outturn 2008/09

MAINSTREAM RESOURCES	Total Budget	2008-09 Total spend	Variance	Slippage to 2009/10	Over/ (underspend)
Engineering & Transportation					
Bridge strenghtening	80,000.00	80,000.00	0.00	0.00	0.00
Bridgeman Street car park	15,000.00	0.00	-15,000.00	15,000.00	0.00
Darlaston Strategic Development Area	150,000.00	166,162.37	16,162.37	LTP grant	16,162.37
Decriminalisation of parking enforcement	187,724.00	188,754.11	1,030.11	H'ways maint	1,030.11
Disabled facilities at pedestrian crossings	180,000.00	123,337.32	-56,662.68	56,662.68	0.00
Highways maintenance	1,595,000.00	1,483,557.94	-111,442.06	110,411.95	-1,030.11
LTP: inc bridge strengthening	2,881,360.00	2,753,487.28	-127,872.72	127,872.72	-0.00
Public Lighting PFI	200,000.00	200,000.00	0.00	0.00	0.00
Walsall TCTP ring road land acquisition	150,000.00	0.00	-150,000.00	150,000.00	0.00
Total Engineering & Transportation	5,439,084.00	4,995,299.02	-443,784.98	459,947.35	16,162.37
Public Protection					
Memorial safety	65,781.02	65,781.02	0.00	0.00	0.00
Register office upgrade	90,313.00	9,377.00	-80,936.00	80,936.00	0.00
Streety cemetery extension - phase B	60,000.00	54,529.90	-5,470.10	0.00	-5,470.10
Streety crematorium mercury abatement	75,000.00	9,800.00	-65,200.00	65,200.00	0.00
Total Public Protection	291,094.02	139,487.92	-151,606.10	146,136.00	-5,470.10
Environment Mainstream schemes	5,730,178.02	5,134,786.94	-595,391.08	606,083.35	10,692.27

UNSUPPORTED BORROWING SCHEMES	Total Budget	2008-09 Total spend	Variance	Slippage to 2009/10	Over/ (underspend)
Street Pride					
Waste collection service	1,300,000.00	1,300,000.00	0.00	0.00	0.00
Total Street Pride	1,300,000.00	1,300,000.00	0.00	0.00	0.00
Environment Unsupported Borrowing schemes	1,300,000.00	1,300,000.00	0.00	0.00	0.00

NON MAINSTREAM SCHEMES	Total Budget	2008-09 Total spend	Variance	Slippage to 2009/10	Over/ (underspend)
Street Pride					
Waste infrastructure capital grant	173,165.81	49,495.43	-123,670.38	123,670.38	0.00
Waste collection service	272,600.00	272,600.00	0.00	0.00	0.00
Total Street Pride	445,765.81	322,095.43	-123,670.38	123,670.38	0.00
Engineering & Transportation					
Fomer Willenhall gasworks	37,906.00	0.00	-37,906.00	0.00	-37,906.00
Specific road safety grant	28,899.00	28,737.23	-161.77	161.77	-0.00
Town Centre Transport Package	5,549,020.73	5,549,020.73	0.00	0.00	0.00
Total Engineering & Transportation	5,615,825.73	5,577,757.96	-38,067.77	161.77	-37,906.00
Environment Non Mainstream schemes	6,061,591.54	5,899,853.39	-161,738.15	123,832.15	-37,906.00